

Hearing Date and Time: October 19, 2011 at 10:00 a.m. (Prevailing Eastern Time)
Objection Date and Time: October 12, 2011 at 4:00 p.m. (Prevailing Eastern Time)

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Sir Christopher Gent, Roland A. Hernandez, Henry
Kaufman and John D. Macomber

*[Also filed by Richard S. Fuld, Jr., Christopher
M. O'Meara, Erin M. Callan]*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:
	:
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i> ,	:
	:
Debtors.	:
	:
-----X	

Chapter 11 Case No.
08-13555 (JMP)
(Jointly Administered)

**NOTICE OF INSURED PERSONS' MOTION, PURSUANT TO
SECTION 362 OF THE BANKRUPTCY CODE, FOR AN ORDER
MODIFYING THE AUTOMATIC STAY TO ALLOW SETTLEMENT
PAYMENT UNDER DIRECTORS AND OFFICERS INSURANCE POLICY
TO SETTLE THE CALIFORNIA MUNICIPALITIES ACTIONS**

PLEASE TAKE NOTICE that a hearing on the annexed Motion of Richard S. Fuld, Jr.,
Christopher M. O'Meara, Erin M. Callan, Michael L. Ainslie, John F. Akers, Roger S. Berlind,
Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez,
Henry Kaufman and John D. Macomber (collectively, the "Insured Persons"), for relief from the
automatic stay, to the extent applicable, to permit the third-party insurers of Lehman Brothers
Holdings Inc. ("LBHI") and its affiliated debtors in the above-referenced chapter 11 cases (the

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“Debtors” and, collectively with their non-debtor affiliates, “Lehman”) to make payments in connection with a certain settlement agreement, all as more fully described in the Motion, will be held before the Honorable James M. Peck, United States Bankruptcy Judge, at the United States Bankruptcy Court, Alexander Hamilton Customs House, Courtroom 601, One Bowling Green, New York, New York 10004 (the “Bankruptcy Court”), on **October 19, 2011 at 10:00 a.m. (Prevailing Eastern Time)** (the “Hearing”).

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Motion shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and the Local Rules of the Bankruptcy Court for the Southern District of New York, shall set forth the name of the objecting party, the basis for the objection and the specific grounds thereof, shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (which can be found at www.nysb.uscourts.gov) by registered users of the Bankruptcy Court’s case filing system and by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format (with two hard copies delivered directly to Chambers), and shall be served upon: (i) the chambers of the Honorable James M. Peck, One Bowling Green, New York, New York 10004, Courtroom 601; (ii) Dechert LLP, 1095 Avenue of the Americas, New York, New York, 10036, Attn: Adam J. Wasserman, Esq., attorneys for Michael L. Ainslie, John F. Akers, Roger S. Berlind, Thomas H. Cruikshank, Marsha Johnson Evans, Sir Christopher Gent, Roland A. Hernandez, Henry Kaufman and John D. Macomber; (iii) Allen & Overy LLP, 1221 Avenue of the Americas, New York, New York, 10020, Attn: Patricia M. Hynes, Esq., attorneys for Richard S. Fuld, Jr.; (iv) Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017-3954, Attn: Michael J. Chepiga, Esq. and Mary Elizabeth McGarry, Esq., attorneys

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for Christopher M. O'Meara; (v) Proskauer Rose, 11 Times Square, New York, New York, 10036, Attn: Robert J. Cleary, Esq., attorneys for Erin M. Callan; (vi) Weil Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, Attn: Richard P. Krasnow, Esq., attorneys for the Debtors; (vii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Tracy Hope Davis, Esq., Andy Velez-Rivera, Esq., Paul Schwartzberg, Esq., Brian Masumoto, Esq., and Linda Riffkin, Esq.; (viii) Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005, Attn: Dennis F. Dunne, Esq., Evan Fleck, Esq. and Dennis O'Donnell, Esq., attorneys for the official committee of unsecured creditors appointed in these cases; and (ix) Walker Wilcox Matousek LLP, 225 W. Washington Street, Chicago, Illinois 60606, Attn: James Huberty, Esq. and Paul F. Matousek, Esq., attorneys ACE Bermuda Insurance Ltd.; (x) Bailey Cavalieri LLC, One Columbus, 10 West Broad St. Suite 2100, Columbus, Ohio 43215, Attn: Thomas E. Geyer, Esq. and Robert Eblin, Esq., attorneys for St. Paul Mercury Insurance Company; (xi) Bates & Carey LLP, 191 W. Wacker Dr., Suite 2400, Chicago, Illinois 60606, Attn: Ommid C. Farashahi, Esq. and Charles Madden, Esq., attorneys for Axis Reinsurance Company; (xii) D'Amato & Lynch, LLP, Two World Financial Center, New York, New York 10281, Attn: Mary Jo Barry, Esq. and Catherine Casavant, Esq., attorneys for Liberty Mutual Insurance Company; (xiii) Bailey Cavalieri LLC, One Columbus, 10 West Broad St. Suite 2100, Columbus, Ohio 43215, Attn: Thomas E. Geyer, Esq. and Robert Eblin, Esq., attorneys for Arch Insurance Company; (xiv) White and Williams LLP, One Penn Plaza, Suite 4110, New York, New York 10119, Attn: John F. McCarrick, Esq., Maurice Pessa, Esq., Daniel H. Simnowitz, Esq., attorneys for Allied World Assurance Company, Ltd.; (xv) Wilson Elser Moskowitz Edelman & Dicker LLP, 150 East 42nd Street, New York, New York 10017, Attn: Jonathan

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Meer, Esq., Scott Schaffer, Esq. and David Sheiffer, Esq., attorneys for Endurance Specialty Insurance, Ltd.; and (xvi) Mendes & Mount LLP, 750 7th Avenue, New York, NY 10019, Attn: Pamela Passarello, Esq. and Arthur Washington, Esq., attorneys for Certain Underwriters at Lloyd's, London, so as to be so filed and received by no later than **October 12, 2011 at 4:00 p.m. (Prevailing Eastern Time)** (the "Objection Deadline").

PLEASE TAKE FURTHER NOTICE that if an objection to the Motion is not received by the Objection Deadline, the relief requested shall be deemed unopposed, and the Bankruptcy Court may enter an order granting the relief sought without a hearing.

PLEASE TAKE FURTHER NOTICE that objecting parties are required to attend the Hearing, and failure to appear may result in relief being granted or denied upon default.

Dated: September 27, 2011
New York, New York

/s/ Adam J. Wasserman
DECHERT LLP
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Kathleen N. Massey
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/s/ Patricia M. Hynes

ALLEN & OVERY LLP

Patricia M. Hynes

Todd S. Fishman

Molly C. Spieczny

Attorneys for Richard S. Fuld, Jr.

/s/ Mary Elizabeth McGarry

SIMPSON THACHER & BARTLETT LLP

Michael J. Chepiga

Mary Elizabeth McGarry

Attorneys for Christopher M. O'Meara,

/s/ Mark E. Davidson

PROSKAUER ROSE

Robert J. Cleary

Mark E. Davidson

Seth David Fier

Attorneys for Erin M. Callan

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